

Council on Postsecondary Education
March 24, 2003

Development of 2004-06 Operating and Capital Recommendations and Tuition Guidelines

Over the coming months, the council and institutional staffs will begin compiling data on the benchmark institutions and refining the guidelines that are to be used to develop the 2004-06 operating budget and capital projects recommendations. The council staff will bring several discussion items to the council at its May meeting.

Benchmark Funding Model

The council staff in consultation with institutional staff will review the most recent data available (FY 2002) from the Integrated Postsecondary Education Data System (IPEDS) for the benchmark institutions. Benchmark institutions will be surveyed to update state funding information on debt service and mandated non-instructional public service and research programs. By agreement through the *Points of Consensus* (adopted at the February council meeting), the benchmark model will be used and the current benchmark institutions will be retained to develop the 2004-06 operating budget recommendation.

Tuition and Fees Revenue Deduction

The council staff in consultation with institutional staff will review the tuition guidelines and present a set of draft guidelines for the 2004-06 recommendation. The 2002-04 tuition guidelines suggested a standard deduction of 30 percent for the KCTCS, Lexington Community College, and Kentucky State University and a 37 percent reduction for the other universities. The benchmark funding model deducts tuition and fees revenue from the calculated public funds for the benchmark and Kentucky institutions to determine the funding need.

The council staff in consultation with the institutions will revise the tuition guidelines. Each institution establishes its own tuition rates consistent with guidelines approved by the council.

Funding Objective - Measure of Central Tendency

The council staff in consultation with institutional staff will develop a draft measure of central tendency (defined as an average of a set of observations such as a mean, median, or a percentile) to be used to determine the 2004-06 benchmark funding objective for each institution. Several measures will be calculated and discussed with the institutions and then presented to the council for discussion. After further discussion with the presidents and chief budget officers, the council staff will bring a recommendation on the 2004-06 measure of central tendency to the council for action.

Enrollment

The council staff will discuss with institutional staff the possibility of using the estimated fall 2003 enrollment to calculate the institutions' 2004-06 benchmark funding need. The 2002-04 benchmark funding calculation used the estimated fall 2001 FTE enrollments.

2004-06 Capital Planning

The institutions and council staff are developing the 2004-2010 Six-Year Capital Plan, which is to be submitted to the Capital Planning Advisory Board on or before April 15, 2003. Typically, the projects identified in the first two years (2004-06) of the Six-Year Capital Plan evolve into the capital projects request.

The council staff with input from institutional staffs will develop suggestions for establishing the postsecondary education statewide capital construction priorities or priority categories. Following the discussions with the institutions, the council staff will bring a recommendation to the council for discussion and consideration.

Special Requests

The council staff will discuss with institutional staffs how to improve the request and evaluation guidelines to be used for submission of special requests for 2004-06. After the discussions with the institutional staffs, the council staff will bring a recommendation on the 2004-06 Special Funding Request Guidelines and Evaluation Criteria to the council for consideration.